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Attorney for Secured Creditor Korth Direct Mortgage, Inc.

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re

SEATON INVESTMENTS, LLC, *et al.*,

Debtors and Debtors-in-Possession.

Affects:

- ☐ All Debtors
☒ Seaton Investments, LLC
☒ Colyton Investments, LLC
☐ Broadway Avenue Investments, LLC
☐ SLA Investments, LLC
☐ Negev Investments, LLC
☒ Alan Gomperts
☒ Daniel Halevy
☒ Susan Halevy

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:

2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ; and
2:24-bk-12076-VZ

Chapter 11

**KORTH DIRECT MORTGAGE'S
LIMITED OBJECTION TO DEBTORS'
DISCLOSURE STATEMENT**

Date: December 12, 2024
Time: 11:00 a.m.
Crtrm.: 1368, Roybal Federal Building
255 E Temple Street
Los Angeles, CA 90012

Hon. Vincent P. Zurzolo

Secured creditor, Korth Direct Mortgage, Inc. (“Korth”), submits this limited objection (the “Limited Objection”) in response to the above-captioned debtors and debtors-in-possession (the “Debtors”) *Disclosure Statement and Plan of Reorganization* (the “Plan”) [ECF No. 267]. In support of its Limited Objection to the adequacy of the disclosure statement, Korth respectfully states as follows:

BACKGROUND

1. On or about April 23, 2021, a predecessor in interest to Korth entered into loan transactions (the “Loans”) with debtors Colyton Investments, LLC (“Colyton”), and Seaton Investments, LLC (“Seaton”), which were secured by certain real property owned by Colyton and Seaton and operated as a single economic unit. A detailed background of the Loans can be found in Korth’s proof of claim filed as Claim No. 2 in Case No. 24-12080.

2. In addition to the transactions with Colyton and Seaton, Korth was granted guarantees of the Colyton and Seaton Loans by individual debtors Alan Gomperts, Daniel Halevy, and Susan Halevy.¹

3. The Debtors filed for bankruptcy on March 19, 2024, roughly a month before the balloon payment on the Colyton and Seaton Loans were due.

LIMITED OBJECTION

4. Korth files this Limited Objection to the adequacy of the Debtor’s disclosure statement, out of an abundance of caution, seeking clarity as to the treatment of its claim, and the claim of similarly situated creditors under the Debtors’ Plan.

5. Korth’s claims against Colyton and Seaton are classified as “Class #4 – Impaired Non-Insider Claims.” The Plan states that “Class 4 Claims are identified in **Exhibit B** and treatment is set forth in **Exhibit G**.” Plan, § VIII.E.

¹ The original Guaranty was executed by David Halevy, who is now deceased. According to the Debtors, the obligation is now owned by Susan Halevy via the Halevy Trust.

7. However, in section V.E of the Plan, the Debtors state that “The Plan calls for Class 4 secured claims to receive regular interest payments during the course of the plan followed by a balloon [sic] payment at the end of year 7.” Plan, § V.E.

8. Korth thus seeks clarification on when the balloon payment is contemplated to be paid under the Plan: after three years when the payments proposed under the Plan are completed, or after seven years as stated in section V.E of the Plan.

Korth reserves all rights to later object to the Plan, and nothing herein should be considered a waiver of any right Korth may have under applicable bankruptcy or nonbankruptcy law, or any equitable relief as it may be entitled to.

POLSINELLI LLP

Attorney for Korth Direct Mortgage, Inc.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
2049 Century Park East, Suite 2900, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled (*specify*): **KORTH DIRECT MORTGAGE'S LIMITED OBJECTION TO DEBTORS' DISCLOSURE STATEMENT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On November 21, 2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On November 21, 2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on November 21, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

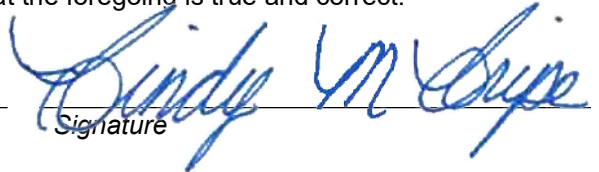
VIA FEDERAL EXPRESS

Honorable Vincent P. Zurzolo
United States Bankruptcy Court
Central District of California
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1360 / Courtroom 1368
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 21, 2024 Cindy Cripe
Date Printed Name


Signature

ATTACHMENT TO SERVICE LIST

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)

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